

KRONOS SALES, SOFTWARE LICENSE AND SERVICES AGREEMENT

Rev KR-022811.1

City of Durham ("Customer") and Kronos Incorporated ("Kronos" or "Contractor") agree that the terms and conditions set forth in this Agreement shall apply to all Kronos Equipment, Software, Professional and Educational Services, Support, and such other Kronos offerings, as specified on an order form (an "Order Form") signed by the parties which expressly references this Agreement (or is signed contemporaneously hereto).

Kronos and Customer hereby agree that the terms and conditions of this Agreement apply to any Order Form executed by Kronos and Customer which expressly references this Agreement (including any Order Form signed contemporaneously with this Agreement regardless of the appearance of any express reference to this Agreement). Either party may discontinue use of this Agreement for future orders upon thirty (30) days prior written notice to the other party, provided however that any Order Form signed by the parties prior to the effective date of such notice shall remain in effect unless otherwise specifically terminated in accordance with the terms of this Agreement. Kronos may require additional terms and conditions for the sale or license of products or services not contemplated by this Agreement (including without limitation those that may be related to international services) provided that no such additional terms and conditions shall be binding upon Customer without Customer's prior written consent. Notwithstanding, Kronos will not be obligated to accept or approve an order for any products or services for which such additional terms and conditions are required. All orders are subject to the approval of Kronos' corporate office in Chelmsford, Massachusetts. This Agreement and the Order Form shall supersede the pre-printed terms of any Customer purchase order or other Customer ordering document, and no such Customer pre-printed terms shall apply to the items ordered.

1. PAYMENT AND DELIVERY

1.1. Unless otherwise set forth in this Agreement, payment terms are indicated on the Order Form or other contemporaneous ordering document containing product-specific payment terms signed by the parties. Delivery terms are as stated on the Order Form ("Delivery"). Kronos will invoice Customer for products upon Delivery. Unless otherwise set forth on the Order Form, Professional and Educational Services are provided on a time and materials basis, invoiced monthly as rendered. Customer agrees to pay all applicable taxes levied or based on the products, services or other charges hereunder, including state and local sales and excise taxes, and any taxes or amount in lieu thereof paid or payable by Kronos, exclusive of taxes based on net income. Each invoice shall document, information such as the description of the equipment and services requested for payment in accordance with the applicable Order Form. City shall agree to notify Kronos in writing of any disputed items contained in Kronos' invoice.

1.2 The fixed fee amount for the initial Order Form attached as Exhibit A of this Agreement is set out in the Exhibit A unless the parties have agreed otherwise and authorized the change in writing. Professional service for the initial Order Form as detailed in the on the initial Services Scope Statement attached fees will be billed based on the project milestones as defined in Exhibit A and B.

2. GENERAL LICENSE TERMS

Kronos owns or has the right to license the Software. The Software and Software documentation are confidential and may not be disclosed to a third party without Kronos' written consent. The Software contains proprietary trade secret technology. Unauthorized use and copying of such Software is prohibited by law, including United States and foreign copyright law. The price Customer pays for a copy of the Software constitutes a license fee that entitles Customer to use the Software as set forth below. Kronos grants to Customer a non-exclusive, nontransferable, perpetual (except as provided herein) license to use the Software. This license may be terminated by Kronos by written notice to Customer upon any material breach of this Agreement by Customer which remains uncured for a period of thirty (30) days after such written notice from Kronos. Upon such termination of this license by Kronos, Customer will have no further right to use the Software and will return the Software media to Kronos and destroy all copies of the Software (and related documentation) in Customer's possession or control. This license is subject to all of the terms of this Agreement.

3. FEE BASED LIMITATIONS

Customer recognizes and agrees that the license to use the Software is limited, based upon the amount of the license fee paid by Customer. Limitations, which are set forth on the Order Form, may include the number of employees, simultaneous

or active users, Software product modules, Software features, computer model and serial number and partition, and/or the number of telephone lines or terminals to which the Software is permitted to be connected. Customer agrees to: i) use the Software only for the number of employees, simultaneous or active users, computer model, partition and serial number, and/or terminals permitted by the applicable license fee; ii) use only the product modules and/or features permitted by the applicable license fees; and iii) use the Software only in support of Customer's own business. Customer agrees not to increase the number of employees, simultaneous or active users, partitions, terminals, products modules, features, or to upgrade the model, as applicable, unless and until Customer pays the applicable fee for such increase/upgrade. Customer may not relicense or sublicense the Software to, or otherwise permit use of the Software (including timesharing or networking use) by any third party. Customer may not provide service bureau or other data processing services that make use of the Software without the express prior written consent of Kronos.

4. OBJECT CODE ONLY

Customer may use the computer programs included in the Software (the "Programs") in object code form only, and shall not reverse, compile, disassemble or otherwise convert the Programs into uncompiled or unassembled code. The Programs include components owned by third parties. Such third party components are deemed to be Software subject to this Agreement. Customer shall not use any of the Programs (or the data models therein) except solely as part of and in connection with the Software and as described in the published documentation for such Software. Customer shall indemnify and hold harmless Kronos for all damages or liability caused by Customer's failure to comply with the foregoing restriction.

5. PERMITTED COPIES

Customer may copy the Programs as reasonably necessary to load and execute the Programs and for backup and disaster recovery and testing purposes only, except for additional copies of the Teletime Software and the Kronos iSeries (which must be licensed separately). All copies of the Programs or any part thereof, whether in printed or machine readable form and whether on storage media or otherwise, are subject to all the terms of this license, and all copies of the Programs or any part of the Programs shall include the copyright and proprietary rights notices contained in the Programs as delivered to the Customer.

6. UPDATES

In the event that Kronos supplies Service Packs, Point Releases and Major Releases (including legislative updates if available) of the Software (collectively referred to as "Updates"), such Updates shall be part of the Software and the provisions of this license shall apply to such Updates and to the Software as modified thereby.

7. EXPORT

Customer acknowledges that the Equipment and Software may be restricted by the United States Government or by the country in which the Equipment or Software is installed from export to certain countries and certain organizations and individuals, and agrees to comply with such laws. Customer agrees to comply with all applicable laws of all of the countries in which the Equipment and Software may be used by Customer. Customer's obligations hereunder shall survive the termination or expiration of this Agreement. Customer must obtain Kronos' prior written consent before exporting the Software.

8. FIRMWARE

Customer may not download firmware updates for the Kronos Equipment unless Customer is maintaining such Equipment under a support plan with Kronos. If Customer is not maintaining the Equipment under a support plan with Kronos, Kronos shall have the right to verify Customer's Kronos Equipment to determine if Customer has downloaded any firmware to which Customer is not entitled. If Customer has downloaded firmware for the Kronos Equipment to which Customer is not entitled, Customer shall be responsible to pay Kronos for such updated firmware in accordance with Kronos' then-current support policies.

9. TRAINING POINTS

Training Points which are purchased by Customer may be redeemed for an equivalent value of instructor-led training sessions offered by Kronos. Available instructor-led sessions are listed at <http://customer.Kronos.com> and each session has the Training Points value indicated. Training Points may be redeemed at any time within 12 months of the date of the applicable Order Form, at which time they shall expire. Training Points may not be exchanged for other Kronos products and/or services. Kronos will invoice Customer for the Training Points identified in the Order Form upon execution of such Order Form with payment due upon the payment terms indicated in such Order Form.

10. ACCEPTANCE

For Customer's initial purchase of each Equipment and Software product Kronos shall provide an acceptance test period (the "Test Period") that commences upon Installation. Installation shall be defined as: a.) the Equipment, if any, is mounted; b.) the Software is installed on Customer's server(s); c.) Kronos has configured the Software for Customer's work and/or pay rules within the Software's standard application parameters; d.) standard interfaces are transmitting data; e.) standard application reports can be generated and f.) implementation team training, if any, is complete. During the Test Period, Customer shall determine whether the Equipment and Software meet the Kronos published electronic documentation ("Specifications").

The Test Period shall be for 30 days. If Customer has not given Kronos a written deficiency statement specifying how the Equipment or Software fails to meet the Specifications ("Deficiency Statement") within the Test Period, the Equipment and Software shall be deemed accepted. If Customer provides a Deficiency Statement within the Test Period, Kronos shall have 30 days to correct the deficiency, and Customer shall have an additional 30 days to evaluate the Equipment and Software. If the Equipment or Software does not meet the Specifications at the end of the second 30 day period, either Customer or Kronos may terminate this Agreement. Upon any such termination, Customer shall return all Equipment and Software (and related documentation) to Kronos, and Kronos shall refund any monies paid by Customer to Kronos for the returned Equipment and Software. Neither party shall then have any further liability to the other for the products that were the subject of the Acceptance Test.

11. LIMITED WARRANTY

11.1 Kronos warrants that all Kronos Equipment and Software media shall be free from defects in materials and workmanship, for a period of one hundred twenty (120) days from Delivery. In the event of a breach of this warranty, Customer's exclusive remedy shall be Kronos' repair or replacement of the deficient Equipment and/or Software media, at Kronos' option, provided that Customer's use, installation and maintenance thereof have conformed to the Specifications. This warranty is extended to Customer only and shall not apply to any Equipment (or parts thereof) or Software media in the event of:

- (a) damage, defects or malfunctions resulting from misuse, accident, neglect, tampering, (including modification or replacement of any Kronos components on any boards supplied with the Equipment), unusual physical or electrical stress or causes other than normal and intended use;
- (b) failure of Customer to provide and maintain a suitable installation environment, as specified in the Specifications; or
- (c) malfunctions resulting from the use of badges or supplies not approved by Kronos.

When using and applying the information generated by Kronos products, Customer is responsible for ensuring that Customer complies with the applicable requirements of federal and state law. If Customer is licensing Workforce Payroll Software or Workforce Absence Management Software: (i) Customer is solely responsible for the content and accuracy of all reports and documents prepared in whole or in part by using such Software, (ii) using such Software does not release Customer of any professional obligation concerning the preparation and review of such reports and documents, (iii) Customer does not rely upon Kronos, Best Software, Inc. or such Software for any advice or guidance regarding compliance with federal and state laws or the appropriate tax treatment of items reflected on such reports or documents, and (iv) Customer will review any calculations made by using such Software and satisfy itself that those calculations are correct.

11.2 For so long as Customer maintains the Software and Equipment under a support plan with Kronos, Kronos represents and warrants that the Equipment and Software will perform in material conformance with the Specifications. In the event of a breach of this warranty, Customer's exclusive remedy shall be Kronos' repair or replacement of the deficient Equipment and/or Software, as provided in the applicable support plan. In the event that Kronos' repair or replacement of the deficient Equipment or Software does not remedy the breach, Customer shall be entitled to seek actual and direct damages consistent with the terms of this Agreement.

12. INDEMNIFICATION

12.1 GENERAL INDEMNITY.

Kronos agrees to the following: (a) To the maximum extent allowed by law, the Contractor shall defend, indemnify, and save harmless Indemnitees from and against all Charges to the extent arising in any manner from, or out of this contract as a result of acts or omissions of the Contractor or subcontractors or anyone directly employed by any of them or anyone for whose acts any of them may be liable and which cause tangible property damages or personal injury (including death). In performing its duties under this subsection "a," the Contractor shall at its sole expense defend Indemnitees with legal counsel reasonably acceptable to City and the City shall ensure that Kronos is given prompt written notice of any such claim and has sole control over the investigation, preparation, defense and settlement of such claim, and further provided that Customer reasonably cooperates with Kronos in connection with the foregoing and provides Kronos with all information in Customer's possession related to such claim and further assistance as reasonably requested by Kronos. (b) Definitions. As used in subsections "a" above and "c" below -- "Charges" means claims, judgments, costs, damages, losses, demands, liabilities, duties, obligations, fines, penalties, royalties, settlements, and expenses (included without limitation within "Charges" are interest and reasonable attorneys' fees assessed as part of any such item) resulting related to the tangible property damage or personal injury (including death). "Indemnitees" means City and its officers, officials, independent contractors, agents, and employees, excluding the Contractor. (c) Other Provisions Separate. Nothing in this section shall affect any warranties in favor of the City that are otherwise provided in this contract. This section is in addition to and shall be construed separately from any other indemnification provisions that may be in this contract. (d) Survival. This section shall remain in force despite termination of this contract (whether by expiration of the term or otherwise) and termination of the services of the Contractor under this contract.

Subsection "a" above shall not require the Contractor to indemnify or hold harmless Indemnitees against liability for damages arising out of bodily injury to persons or damage to property proximately caused by or resulting from the negligence, in whole or in part, of Indemnitees.

12.2 INTELLECTUAL PROPERTY INDEMNIFICATION

Kronos agrees to indemnify Customer and to hold it harmless from and against any and all claims, costs, fees and expenses (including reasonable legal fees) relating to actual or alleged infringement of United States or Canadian patents or copyrights asserted against Customer by virtue of Customer's use of the Software as delivered and maintained by Kronos, provided that: i) Kronos is given prompt written notice of any such claim and has sole control over the investigation, preparation, defense and settlement of such claim; and, ii) Customer reasonably cooperates with Kronos in connection with the foregoing and provides Kronos with all information in Customer's possession related to such claim and any further assistance as reasonably requested by Kronos. Kronos will have no obligation to indemnify Customer to the extent any such claim is based on the use of the Software with software or equipment not supplied by Kronos. Should any or all of the Software as delivered and maintained by Kronos become, or in Kronos' reasonable opinion be likely to become, the subject of any such claim, Kronos may at its option: i) procure for Customer the right to continue to use the affected Software as contemplated hereunder; ii) replace or modify the affected Software to make its use non-infringing; or iii) should such options not be available at reasonable expense, terminate this Agreement with respect to the affected Software upon thirty (30) days prior written notice to Customer. In such event of termination, Customer shall be entitled to a pro-rata refund of all fees paid to Kronos for the affected Software, which refund shall be calculated using a five year straight-line depreciation commencing with the date of the relevant Order. Additionally, Kronos agrees to be liable for tangible property damage or personal injury caused solely by the negligence or willful misconduct of its employees.

13. PROFESSIONAL AND EDUCATIONAL SERVICES

(a) ENGAGEMENTS

Unless otherwise indicated on the Order Form, Professional and Educational Services ("Professional Services") shall be provided on a time and material basis at the rates set forth in the Order Form. If a dollar limit is stated in the Order Form or any associated statement of work ("SOW"), the limit shall be deemed an estimate for Customer's budgeting and Kronos' resource scheduling purposes. After the dollar limit is expended, Kronos will continue to provide Professional Services on a time and materials basis, if a Change Order or Schedule of Services for continuation of the Professional Services is signed by the parties.

(b) WARRANTY

Kronos warrants that all professional and educational services performed under this Agreement shall be performed in a professional and competent manner. In the event that Kronos breaches this warranty, and Customer so notifies Kronos within 30 days of receipt of invoice for the applicable services, the Customer's sole remedy and Kronos' exclusive liability shall be to re-perform the services which were deficient in a manner so as to conform to the foregoing warranty, at no additional cost to Customer.

(c) KRONOS PROFESSIONAL/EDUCATIONAL SERVICES POLICIES

Kronos' then-current Professional/Educational Services Policies shall apply to all Professional and/or Educational Services purchased under the applicable SOW and may be accessed at:

<http://www.kronos.com/Support/ProfessionalServicesEngagementPolicies.htm> ("Professional Services Policies"). In the event of a conflict between the Professional Services Policies and this Agreement, the terms of this Agreement shall prevail.

14. SOFTWARE SUPPORT SERVICES

(a) SUPPORT OPTIONS

Customer may select from the following Software support purchase options: Gold (or Gold Plus) and Platinum (or Platinum Plus) support ("Service Type"), each providing different service coverage periods and/or service offerings, as specified herein ("Service Offerings") and in the Kronos Support Service Policies (defined below). Customer must purchase the same Service Type for all of the Software specified on the Order Form, (however, if Customer is purchasing support services for Visionware Software, Customer may only purchase Gold Service Type for the Visionware Software). All Updates shall be provided via remote access. Customer may purchase support services for Equipment in accordance with the terms and conditions of Kronos' standard Equipment Support Services Agreement a copy of which is available upon request and is located at: <http://www.kronos.com/Legal/EquipmentSupportAgr.aspx>.

(b) EXTENDED SUPPORT PROGRAM (DELL SERVERS)

Customers purchasing the Extended Support Program (as indicated on the Order Form) for their Dell servers purchased from Kronos shall receive a specialized, bundled set of Kronos Support Services. Because of the specialized nature of these services, the terms and conditions located at <http://www.kronos.com/Legal/SupplementalTerms.aspx> shall supersede the provisions of this Agreement for the Extended Support Program.

(c) TERM OF SOFTWARE SUPPORT

Unless otherwise indicated on the Order Form, support service shall commence on the Software Delivery date and shall continue for an initial term of one (1) year. Support service shall renew for additional one year terms on the anniversary date of its commencement date by mutual written agreement of the parties or by Kronos sending to Customer an invoice for the applicable renewal term and the Customer paying such invoice prior to the commencement of such renewal term, unless either party notifies the other in writing sixty (60) days prior to that anniversary renewal date. After the one year initial term of this Agreement, the Service Offerings provided and the Service Coverage period are subject to change by Kronos with sixty (60) days advance written notice to Customer. For the initial two (2) renewal years the annual support fee, for the same products and service type, will not increase by more than 4% over the prior year's annual support fee.

(d) GOLD SERVICE OFFERINGS

Customer shall be entitled to receive:

- (i) Updates for the Software (not including any Software for which Kronos charges a separate license fee), provided that Customer's operating system and equipment meet minimum system configuration requirements, as reasonably determined by Kronos. If Customer requests Kronos to install such Updates or to provide retraining, Customer agrees to pay Kronos for such installation or retraining at Kronos' then-current time and materials rate.
- (ii) Telephone and/or electronic access to the Kronos Global Support Center for the logging of requests for service during the Service Coverage Period. The Service Coverage Period for the Gold Service Offering is 8:00 a.m. to 8:00 p.m., local time, Monday through Friday, excluding Kronos holidays.
- (iii) Web-based support including access to Software documentation, FAQ's, access to Kronos knowledge base, Customer forums, and e-case management. Such offerings are subject to modification by Kronos. Current offerings can be found at <http://www.kronos.com/services/support-services.aspx>.
- (iv) Web-based remote diagnostic technical assistance which may be utilized by Kronos to resolve Software functional problems and user problems during the Service Coverage Period.
- (v) Access to specialized content as and when made available by Kronos such as technical advisories, learning quick tips, brown bag seminars, technical insider tips, SHRM e-Learning, HR Payroll Answerforce and service case studies.

(e) PLATINUM AND PLUS SERVICE OFFERINGS

Platinum: In addition to the Service Offerings specified for the Gold Service Offering above, the Service Coverage Period for the Platinum Service Offering is 24 hours a day, seven days a week, 365 days a year.

Plus option: In addition to the Service Offerings specified for the Gold Service Offering above, customers purchasing the Plus option shall receive the services of a dedicated, but not exclusive, Kronos Technical Account Manager ("TAM") for one production instance of the Software. Customers purchasing the Gold-Plus option shall designate up to one primary and one secondary backup technical contacts ("Technical Contacts") to be the sole contacts with the TAM, while customers purchasing the Platinum-Plus option shall designate up to two primary and three secondary backup Technical Contacts. Upon request, Customer may designate additional and/or backup Technical Contacts. Customer is required to place all primary Technical Contacts through Kronos product training for the Software covered under this Agreement at Customer's expense.

Customers purchasing the Platinum-Plus option shall also receive a one day per year visit to be performed at the Customer location where the Software is installed. During this onsite visit, Kronos shall work with Customer to identify ways to help Customer increase functionality or maximize utilization of the Software in Customer's specific environment. Customer must be utilizing the then-current version of the Software. Travel and expenses are not included and shall be paid by Customer.

(f) PAYMENT

Customer shall pay annual support charges for the initial term in accordance with the payment terms on the Order Form and for any renewal term upon receipt of invoice. Customer shall pay additional support charges, if any, and time and material charges upon receipt of invoice.

(g) ADDITION OF SOFTWARE

Additional Software purchased by Customer during the initial or any renewal term shall be added to this Agreement at the same support option as the then current Software support coverage in place under these terms. Customer agrees to pay the charges for such addition, and any such addition shall be renewed as provided in these terms.

(h) RESPONSIBILITIES OF CUSTOMER

Customer agrees (i) to provide Kronos personnel with full, free and safe access to Software for purposes of support, including use of Kronos' standard remote access technology, if required; (ii) to maintain and operate the Software in an environment and according to procedures which conform to the Specifications; and (iii) not to allow support of the Software by anyone other than Kronos without prior written authorization from Kronos. Failure to utilize Kronos' remote access technology may delay Kronos' response and/or resolution to Customer's reported Software problem. If Customer requires the use of a specific remote access technology not specified by Kronos, then Customer must purchase the Plus option to receive support and provide Kronos personnel with full, free and safe access to the remote access hardware and/or software.

(i) DEFAULT

Customer shall have the right to terminate Kronos support services in the event that Kronos is in breach of the support services warranty set forth below and such breach is not cured within fifteen (15) days after written notice specifying the nature of the breach. In the event of such termination, Kronos shall refund to Customer on a pro-rata basis those pre-paid annual support fees associated with the unused portion of the support term. Kronos reserves the right to terminate or suspend support service in the event the Customer is in default under this Agreement with Kronos and such default is not corrected within fifteen (15) days after written notice. In addition, the support services will terminate and all charges due hereunder will become immediately due and payable in the event that Customer ceases to do business as a going concern or has its assets assigned by law.

(j) WARRANTY

Kronos warrants that all support services shall be performed in a professional and competent manner.

(k) KRONOS SUPPORT SERVICE POLICIES

Kronos' then-current Support Services Policies shall apply to all Support Services purchased and may be accessed at: <http://www.kronos.com/Support/SupportServicesPolicies.htm> ("Support Policies"). In the event of a conflict between the Support Policies and this Agreement, the terms of this Agreement shall prevail.

14. KNOWLEDGEPASS EDUCATION SUBSCRIPTION

The parties hereby agree that the following terms shall apply to Customer's purchase of the Kronos KnowledgePass Education Subscription only, if specified on the Order Form:

(a) Scope: The KnowledgePass Education Subscription is available to customers who are licensing Kronos' Workforce Central and iSeries Timekeeper Software products and who are maintaining such products under a support plan with Kronos. The KnowledgePass Education Subscription provides access via the internet to certain educational offerings provided by Kronos (the "KnowledgePass Content"), including:

- Product and upgrade information for project teams and end users
- Hands-on interactive instruction on common tasks
- Self-paced tutorials covering a range of topics
- Job aids
- Knowledge assessment and reporting tools to measure progress
- Webinars

(b) Term of Subscription: The KnowledgePass Education Subscription shall run co-terminously with Customer's Software Support, and shall renew for additional one (1) year terms provided Customer renews its KnowledgePass Education Subscription as provided below.

(c) Payment: Customer shall pay the annual subscription charge for the initial term of the KnowledgePass Education Subscription in accordance with the payment terms on the Order Form. Kronos will send Customer a renewal invoice for renewal of the KnowledgePass Education Subscription at least forty five (45) days prior to expiration of the then current term. KnowledgePass Education Subscription shall renew for an additional one (1) year term if Customer pays such invoice before the end of the initial term or any renewal term.

(d) Limitations: Customer recognizes and agrees that the KnowledgePass Content is copyrighted by Kronos. Customer is permitted to make copies of the KnowledgePass Content provided in *pdf form solely for Customer's internal use and may not disclose such KnowledgePass Content to any third party other than Customer's employees. Customer may not edit, modify, revise, amend, change, alter, customize or vary the KnowledgePass Content without the written consent of Kronos, provided that Customer may download and modify contents of Training Kits solely for Customer's internal use.

(e) Train-the-Trainer Program (TTT): Certification under the Train-the-Trainer Program is valid only for the point release of the Software for which the TTT Program is taken, and covers only the Customer employee who completes the TTT Program.

15. TRADE SECRETS; CONFIDENTIALITY.

This section shall remain in force despite termination of this contract (whether by expiration of the term or otherwise) and termination of the services of the Contractor under this contract. As a general rule, all submissions to the City are available to any member of the public. However, the Kronos software (including documentation) and Specifications qualify as trade secrets as described in this section 15. The City will notify Kronos of any request to disclose trade secrets and take reasonable steps to keep trade secrets confidential.

Definitions.

In this section (Trade Secrets and Confidentiality):

The term "trade secret" means business or technical information, including but not limited to a formula, pattern, program, device, compilation of information, method, technique, or process that:

- a. Derives independent actual or potential commercial value from not being generally known or readily ascertainable through independent development or reverse engineering by persons who can obtain economic value from its disclosure or use; and
- b. Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

The existence of a trade secret shall not be negated merely because the information comprising the trade secret has also been developed, used, or owned independently by more than one person, or licensed to other persons.

The term "record" means all documents, papers, letters, maps, books, photographs, films, sound recordings, magnetic or other tapes, electronic data-processing records, artifacts, or other documentary material, regardless of physical form or characteristics, received by the City of Durham in connection with the Contractor's proposal.

(a) Designation of Confidential Records. To the extent that the Contractor wishes to maintain the confidentiality of trade secrets contained in materials provided to the City, the Contractor shall prominently designate the material with the words "trade secrets" at the time of its initial disclosure to the City. The Contractor shall not designate any material provided to the City as trade secrets unless the Contractor has a reasonable and good-faith belief that the material contains a trade secret. When requested by the City, the Contractor shall promptly disclose to the City the Contractor's reasoning for designating material as trade secrets; the Contractor may need to label parts of that reasoning as trade secrets. In providing materials to the City, the Contractor shall make reasonable efforts to separate those designated as trade secrets from those not so designated, both to facilitate the City's use of the materials and to minimize the opportunity for accidental disclosure. For instance, if only a sentence or paragraph on a page is a trade secret, the page must be marked clearly to communicate that distinction. To avoid mistake or confusion, it is generally best to have only trade secret information on a page and nothing else on that page.

To the extent authorized by applicable state and federal law, the City shall maintain the confidentiality of records designated "trade secrets" in accordance with this section. Whenever the Contractor ceases to have a good-faith belief that a particular record contains a trade secret, it shall promptly notify the City.

(b) Request by Public for Access to Record. When any person requests the City to provide access to a record designated as a trade secret in accordance with subsection (a) above, the City may

(1) decline the request for access,

(2) notify the Contractor of the request and that the City has provided, or intends to provide, the person access to the record because applicable law requires that the access be granted, or

(3) notify the Contractor of the request and that the City intends to decline the request.

Before declining the request, the City may require the Contractor to give further assurances so that the City can be certain that the Contractor will comply with subsection (c) below.

(c) Defense of City. If the City declines the request for access to a record designated as trade secrets in accordance with subsection (a), then, in consideration of the promises in (b) above and for considering the Contractor's proposal, the Contractor agrees that it shall defend, indemnify, and save harmless Indemnitees from and against all Charges that arise in any manner from, in connection with, or out of the City's non-disclosure of the records. In providing that defense, the Contractor shall at its sole expense defend Indemnitees with legal counsel. The legal counsel shall be limited to attorneys reasonably acceptable to the City Attorney.

Definitions.

As used in this subsection (c), "Charges" means claims, judgments, costs, damages, losses, demands, liabilities, fines, penalties, settlements, expenses, attorneys' fees, and interest. Indemnitees" means the City, and officers, officials, independent contractors, agents, and employees, of the City. "Indemnitees" does not include the Contractor. The City may require the Contractor to provide proof of the Contractor's ability to pay the amounts that may reasonably be expected to become monetary obligations of the Contractor pursuant to this section. If the Contractor fails to provide that proof in a timely manner, the City shall not be required to keep confidential the records whose non-disclosure gives rise to the potential monetary obligation. Nothing in this agreement shall require the City to require any person (including the City itself) to be placed in substantial risk of imprisonment, of being found by a court to be in contempt, or of being in violation of a court order. This subsection (c) is separate from and is to be construed separately from any other indemnification and warranty provisions in the contract between the City and the Contractor.

16. MARKETING ACTIVITIES

Customer agrees that Kronos may use Customer's name as part of Kronos' published customer lists subject to the Customer's prior consent. Upon Kronos' request, Customer may participate in mutually beneficial marketing and public relations activities with Kronos. All content shall be subject to the prior review and approval of Customer, such approval not to be unreasonably withheld.

17. LIMITATION OF LIABILITY

WHERE EXCLUSIVITY IS EXPRESSLY STATED IN THE AGREEMENT, CUSTOMER'S EXCLUSIVE REMEDIES AND KRONOS' SOLE LIABILITY FOR ANY KRONOS BREACH OF THIS AGREEMENT ARE EXPRESSLY STATED HEREIN. EXCEPT AS PROVIDED IN THIS AGREEMENT, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED.

EXCEPT FOR KRONOS' INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS AGREEMENT, IN NO EVENT SHALL KRONOS' OR ITS PARENTS', SUBSIDIARIES', AFFILIATES', OR THIRD PARTY LICENSOR'S LIABILITY TO A CUSTOMER, HOWSOEVER CAUSED, EXCEED THE VALUE OF THE ORDER WHICH GIVES RISE TO THE CLAIM, AND IN NO EVENT WILL KRONOS OR ITS PARENTS, SUBSIDIARIES AFFILIATES OR THIRD PARTY LICENSORS BE LIABLE FOR LOST PROFITS, LOST DATA OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT WHETHER SUCH CLAIM IS BASED ON WARRANTY, CONTRACT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR CUSTOMER'S SPECIFIC USE OF, OR INABILITY TO SO USE, ANY EQUIPMENT, SOFTWARE OR SERVICES PROVIDED FOR IN THIS AGREEMENT.

18. TERMINATION FOR CONVENIENCE ("TFC")

(a) PROCEDURE

Without limiting any party's right to terminate for breach, the parties agree that the Customer may, without cause, and in its discretion, terminate this agreement for convenience by giving Kronos at thirty days written notice that refers to this section.

TFC shall be effective thirty days after the receipt of notice or within such shorter period mutually agreed between the parties.

(b) OBLIGATIONS

Upon TFC, all obligations that are still executory on both sides are discharged except that the section of this agreement which by their nature shall survive, such as without limitation, the indemnification, the limitation of liability and confidential information sections, if any, shall remain in force. At the time of TFC or as soon afterwards as is practical, Kronos shall give the Customer all work product completed by that date, return to Customer all the Customer's information and Customer shall no further use the Software and destroy all copies of the Software.

(c) PAYMENT

The Customer shall pay Kronos for the fees and charges that accrue because of the Customer's decisions with respect to the services performed and the products delivered. Within 20 days after TFC, the Customer shall pay Kronos for all services performed except to the extent previously paid for.

19. GENERAL

(a) This Agreement shall be governed by North Carolina law. The parties waive the application of the United Nations Commission on International Trade Law and United Nations Convention on Contracts for the International Sale of Goods as to the interpretation or enforcement of this Agreement. The exclusive forum and venue for all actions arising out of this agreement shall be the North Carolina General Court of Justice, in Durham County. Such actions shall neither be commenced in nor removed to federal court.

(b) The invalidity or illegality of any provision of this Agreement shall not affect the validity of any other provision. The parties intend for the remaining unaffected provisions to remain in full force and effect.

(c) Neither party shall assign this Agreement or the license to the Software without the prior written consent of Kronos and any purported assignment, without such consent, shall be void. Such consent shall not be unreasonably withheld. Notwithstanding of the above, the parties reserve their respective right to assign its rights, interests or obligations defined in this Agreement at any time to any successor or acquirer of its business or assets provided that the assigning parties, provided that: (i) such proposed assignee agrees in writing to be bound by the terms and conditions of this Agreement; (ii) the assigning party provides prior written notice to other party; (iii) if the assignment is made by Customer all fees and obligations due from Customer to Kronos hereunder, have been met; and (iv) such assignment is not to a Kronos Competitor if such assignment is done by Customer. The City Manager may consent to an assignment by Kronos without action by the City Council. Unless the other party agrees in writing, the assignor and all assignees shall be subject to all of the other party's defenses and shall be liable for all of assignor's duties that arise out of this agreement and all of the Customer's claims that arise out of this agreement. Without granting a party the right to assign, it is agreed that the duties of that party that arise out of this agreement shall be binding upon it and its heirs, personal representatives, successors, and assigns.

(d) Neither party shall be liable for failures or delays in performance due to causes beyond its reasonable control, including war, strikes, lockouts, fire, flood, storm or other acts of God. Both parties agree to use their best efforts to minimize the effects of such failures or delays.

(e) No action, regardless of form, may be brought by either party more than two (2) years after the cause of action has arisen.

(f) The section headings herein are provided for convenience only and have no substantive effect on the construction of this Agreement.

(g) The parties agree that if this Agreement is delivered via fax or electronically delivered via email it shall constitute a valid and enforceable agreement.

(h) This Agreement and any information expressly incorporated herein (including information contained in any referenced URL), together with the applicable Order Form, constitute the entire agreement between the parties for the products and services described herein and supersede all prior or contemporaneous representations, negotiations, or other communications between the parties relating to the subject matter of this Agreement. This Agreement may be amended only in writing signed by authorized representatives of both parties. Customer understands and acknowledges that while Kronos may disclose to customers certain confidential information regarding general product development direction, potential future products and/or product enhancements under consideration, Customer is not entitled to any products or product enhancements other than those contained on the Order Form. Customer has not relied on the availability of any future version of the Software or Equipment identified on an Order Form, nor any other future product in executing this Agreement.

(i) Use, duplication, or disclosure by the United States Government is subject to restrictions as set forth in subparagraph (c) (1) (ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, or subparagraph (c)(1)(2) of the Commercial Computer Software Restricted Rights clause at FAR 52.227-19, as applicable. Manufacturer/distributor is Kronos Incorporated, 297 Billerica Road, Chelmsford, MA.

20. NOTICE

(a) All notices and other communications required or permitted by this agreement shall be in writing and shall be given either by personal delivery, fax, UPS, Federal Express, or certified United States mail, return receipt requested, addressed as follows. The parties are requested to send a copy by email.

To the City:

Customer Service Management Manager, Technology Solutions Department
City of Durham
101 City Hall Plaza, Suite 4100
Durham, NC 27701-3329
The fax number is (919) 560-4808
Email: martha.lester@durhamnc.gov

To the Contractor:

Kronos Incorporated
Attn: Vice-President General Counsel
297 Billerica Road
Chelmsford, MA
Phone: (978) 250-9800
Fax number: 978-256-3222

(b) Change of Address; Date Notice Deemed Given. A change of address, fax number, or person to receive notice may be made by either party by notice given to the other party. Any notice or other communication under this contract shall be deemed given and sent at the time of actual delivery, if it is personally delivered or sent by fax. If the notice or other communication is sent by United States mail, it shall be deemed given upon the third calendar day following the day on which such notice or other communication is deposited with the United States Postal Service or upon actual delivery, whichever first occurs.

21. E-VERIFY COMPLIANCE

Kronos represents and covenants that it complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes (NCGS). In this E-Verify Compliance section, "contractor," "its subcontractors," and "comply" shall have the meanings intended by NCGS 160A-20.1(b). The City is relying on this section in entering into this contract. The parties agree to this section only to the extent authorized by law. If this section is held to be unenforceable or invalid in whole or in part, it shall be deemed amended to the extent necessary to make this contract comply with NCGS 160A-20.1(b). Kronos shall ensure to flow down these terms to any subcontractor performing professional services under this Agreement.

22. MISCELLANEOUS

(a) WAIVER

No action or failure to act by the Customer shall constitute a waiver of any of its rights or remedies that arise out of this agreement, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

(b) PERFORMANCE OF GOVERNMENT FUNCTIONS

Nothing contained in this Agreement shall be deemed or construed so as to in any way estop, limit, or impair the Customer from exercising the Customer sovereign immunity or any official immunity.

(c) SEVERABILITY

If any provision of this agreement shall be unenforceable, the remainder of this agreement shall be enforceable to the extent permitted by law.

(d) COMPLIANCE WITH LAW

In performing all of the respective obligations under this Agreement, both parties shall comply with all applicable law.

(e) NOTICE OF CUSTOMER POLICY

THE CUSTOMER OPPOSES DISCRIMINATION ON THE BASIS OF RACE AND SEX AND URGES ALL OF ITS CONTRACTORS TO PROVIDE A FAIR OPPORTUNITY FOR MINORITIES AND WOMEN TO PARTICIPATE IN THEIR WORK FORCE AND AS SUBCONTRACTORS AND VENDORS UNDER CITY CONTRACTS.

(f) EEO PROVISIONS

During the performance of this Agreement Kronos agrees as follows: (1) Kronos shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, political affiliation or belief, age, or handicap. Kronos shall take affirmative action to insure that applicants are employed and that employees are treated equally during employment, without regard to race, color, religion, sex, national origin, political affiliation or belief, age, or handicap. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Kronos shall post in conspicuous places, available to employees and applicants for employment, notices setting forth these EEO provisions. (2) Kronos shall in all solicitations or advertisement for employees placed by or on behalf of Kronos state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, political affiliation or belief, age, or handicap. (3) Kronos shall send a copy of the EEO provisions to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding. (4) In the event of Kronos' noncompliance with these EEO provisions, the Customer may cancel, terminate, or suspend this agreement, in whole or in part, and the Customer may declare Kronos ineligible for further Customer agreements.

(g) SDBE.

The Contractor shall comply with all applicable provisions of Article III of Chapter 18 of the Durham City Code (Equal Business Opportunities Ordinance), as amended from time to time. The failure of the Contractor to comply with that article shall be a material breach of contract which may result in the rescission or termination of this contract and/or other appropriate remedies in accordance with the provisions of that article, this contract, and State law. The Participation Plan submitted in accordance with that article is binding on the Contractor. Section 18-59(f) of that article provides, in part, "If the City Manager determines that the Contractor has failed to comply with the provisions of the Contract, the City Manager shall notify the Contractor in writing of the deficiencies. The Contractor shall have 14 days, or such time as specified in the Contract, to cure the deficiencies or establish that there are no deficiencies." It is stipulated and agreed that those two quoted sentences apply only to the Contractor's alleged violations of its obligations under Article III of Chapter 18 and not to the Contractor's alleged violations of other obligations.

The parties agree that notwithstanding the terms of this section, Kronos does not anticipate subcontracting services under this Agreement and as such this SDBE is not applicable.

(h) NO THIRD PARTY RIGHTS CREATED

This Agreement is intended for the benefit of the Customer and Kronos and not any other person.

(i) PRINCIPLES OF INTERPRETATION AND DEFINITIONS

Interpretation and definitions are as follows: (1) The singular includes the plural and the plural the singular. The pronouns "it" and "its" include the masculine and feminine. References to statutes or regulations include all statutory or regulatory provisions consolidating, amending, or replacing the statute or regulation. References to contracts and agreements shall be deemed to include all amendments to them. The words "include," "including," etc. mean include, including, etc. without limitation. (2) References to a "Section" or "section" shall mean a section of this contract. (3) "Contract" and "Agreement," whether or not capitalized, refer to this instrument. (4) "Duties" includes obligations. (5) The word "person" includes natural persons, firms, companies, associations, partnerships, trusts, corporations, governmental agencies and units, and other legal entities. (6) The word "shall" is mandatory. (7) The word "day" means calendar day.

(j) MODIFICATIONS; ENTIRE AGREEMENT

A modification of this agreement is not valid unless signed by both parties and otherwise in accordance with requirements of law. Further, a modification is not enforceable against the Customer unless it is signed by the City Manager, a deputy or assistant City Manager, or, in limited circumstances, a City department director. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral, expressed or implied, between the parties, other than as set forth or referenced in this agreement.

(k) CITY MANAGER'S AUTHORITY

To the extent, if any, the Customer has the power to suspend or terminate this agreement or Kronos' services under this agreement, that power may be exercised by the City Manager or the City Manager's designee without City Council action.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of ____ day of _____, 20__.

CITY OF DURHAM

By: _____ (SEAL)

By: _____

City Manager

President

ATTEST:

ATTEST:

City Clerk

Corporate Secretary

(Please affix corporate seal.)

NORTH CAROLINA
DURHAM COUNTY

I, _____, a Notary Public for the County and State aforesaid, do hereby certify that _____ personally appeared before me this day and acknowledged that she is City Clerk for the City of Durham, and that by authority duly given, the foregoing agreement was signed in its name by its City Manager, sealed with its corporate seal and attested by her as its City Clerk. Witness my hand and official seal, this _____ day of _____, 20____.

My commission expires: _____
Notary Public

STATE OF _____
_____ COUNTY

I, _____, a Notary Public for the County and state aforesaid, do hereby certify that _____ personally appeared before me this day and acknowledged that he/she is the _____ Secretary of _____, a _____ corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by him/her as its _____ Corporate Secretary. Witness my hand and official seal this _____ day of _____, 20____.

My commission expires: _____
Notary Public

KRONOS INCORPORATED

BY: _____

TITLE: _____

DATE: _____

ORDER FORM

Quote#: 444339 - 1
Expires: 26-DEC-2014
Prepared By: Adams, Ray A

Order Type: Standard US
Date: 03-NOV-2014
Page: 1/2

Bill To: Attn:ANTHONY PERGOLOTTI
 CITY OF DURHAM FIRE
 101 CITY HALL PLAZA
 DURHAM
 NC 27701
 United States

Solution ID: 6119937

Ship To: Attn:ANTHONY PERGOLOTTI
 CITY OF DURHAM FIRE
 101 CITY HALL PLAZA
 DURHAM
 NC 27701
 United States

Contact: Anthony Pergolotti
Email: anthony.pergolotti@durhamnc.gov

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:

Kronos agrees to complete the services described in the SSS for the fixed fee set forth herein, unless additional hours are required to complete such services due to a material change in the scope of the project, Customer's delay in fulfilling its obligations, or as a result of a change in the complexity of the original scope of services based on information unknown at the time the parties entered into the SSS. Any such additional hours shall be agreed upon by the parties pursuant to the Change Order process described in the SSS and the fixed fee amount described herein shall be amended as provided in such Change Order. If Kronos has not invoiced for the entire fixed fee amount as set forth in this SSS (and any Change Orders, if applicable) upon completion of the services, Kronos will invoice Customer for any remaining fees up to the fixed fee amount and Customer shall pay such fees upon the payment terms agreed upon by the parties.

The professional services listed herein will be invoiced in accordance with the following schedule:

Standard Deployment: PM Assignment - \$5,673.33
 Standard Deployment: Database Build - \$5,673.33
 Standard Deployment: Configuration Training - \$5,673.34
 Advanced Deployment: PM Assignment - \$4,646.66
 Advanced Deployment: Staffing Process Review - \$4,646.67
 Advanced Deployment: Configuration training - \$4,646.67
 Auctions configuration - \$2,040.00

Your Kronos solution includes:

SOFTWARE

Item	License/Qty	Total Price
TELESTAFF ENTERPRISE V2	320	
TELESTAFF WEB ACCESS V2 - TSG HOSTED	320	
TELESTAFF AUCTIONS V2	320	
TELESTAFF GATEWAY MANAGER V2	1	
Total Price		\$43,400.00

*Includes applicable software media

SUPPORT SERVICES

Item	Duration	Total Price
PLATINUM SUPPORT SERVICE	1 YR	\$10,847.00
Total Price		\$10,847.00

*Support values listed above are total for all applicable products in each section of this Order Form

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics



Quote#: 444339 - 1

Page: 2/2

PROFESSIONAL SERVICES / EDUCATIONAL SERVICES

Item	Quantity	Unit Price	Total Price
PROFESSIONAL SERVICES - AUCTIONS/BIDDING CONFIG DEPLOYMENT TELESTAF	1 Hours	\$33,000.00	\$33,000.00
Total Price			\$33,000.00

Item	Quantity	Total Price
WEB ACCESS	1	\$4,135.60
Total Price		\$4,135.60

QUOTE SUMMARY

Description	Total Price
Subtotal	\$91,382.60
Deposit	(\$0.00)
Tax	\$0.00
Grand Total	\$91,382.60

CITY OF DURHAM FIRE

Signature: _____

Name: _____

Title: _____

Effective Date: _____

Kronos Incorporated

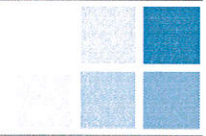
Signature: _____

Name: _____

Title: _____

Effective Date: _____

Invoice amount will reflect deposit received. All professional services are billed as delivered with a payment term of Net Upon Receipt. Unless otherwise indicated above, this order is subject to the attached terms and conditions which the customer acknowledges have been read. THIS ORDER IS SUBJECT TO APPLICABLE TAXES. THE TAX AMOUNT SHOWN ON THIS ORDER IS ONLY AN ESTIMATE. THE ACTUAL TAX AMOUNT TO BE PAID BY CUSTOMER WILL BE SHOWN ON CUSTOMER'S INVOICE. The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at http://www.redhat.com/licenses/jboss_eula.html. Shipping and handling charges will be reflected on the final invoice.



Services Scope Statement

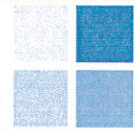
City of Durham - Fire Department

TeleStaff Implementation

Sales Executive	Ray Adams	Presales Consultant	Tavish Colonelli
Expiration Date	9/27/2014	Service Portfolio Consultant	Scott Kopco
Customer Name	City of Durham -- Fire Department	File Name Control ID	2014-7693
SSS Create Date	6/5/2014	Revision #	7
Project Type	Net New	Status	Approved

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CONFIDENTIAL - Not to be disclosed to third parties without specific written consent from Kronos.



1. PROJECT SCOPE

This Services Scope Statement (also known as the "SSS") documents the agreement between Kronos Incorporated and City of Durham -- Fire Department concerning the services to be performed by Kronos, including the deliverables, the costs of the project, the responsibility of each party and how the project will be managed.

1.1. PROJECT OVERVIEW

Successfully implement and utilize the following products and modules:

- TeleStaff
- Auctions
- TeleStaff Web Access
- Gateway Manager

All implementation and training services will be delivered remotely. If the City requests onsite resources at any point during the project, a change order will be required to cover billable travel expenses.

1.2. PRODUCT SUMMARY

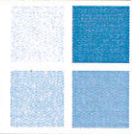
The following products are considered in scope for the services and fees defined within this document, unless otherwise noted below. Additional products and/or licenses may incur additional fees.

Product	Implementation Type	Version
TeleStaff Enterprise	New	2.9
TeleStaff Web Access (Kronos Hosted)	New	2.9
TeleStaff Gateway Manager	New	2.9
TeleStaff Auctions	New	2.9

1.3. PROJECT DURATION

Depending upon City of Durham -- Fire Department resource availability and project task capability, the duration of the project may need to be extended. This will increase the number of hours required for tasks that are performed on a weekly basis such as managing project communications, managing/updating project plans, facilitating project meetings and updating project status reports.

Duration of Project - TeleStaff	29 weeks
---------------------------------	----------



2. PROJECT GUIDELINES

2.1. CHANGE CONTROL

If the Scope of Services defined in this document changes at any time during the course of this project, Kronos and City of Durham -- Fire Department will review and adjust the scope and budget of services through standard Kronos change control procedures.

Please review the Kronos Change Control Policy:

<http://www.kronos.com/professionalservicesengagementpolicies.aspx>

2.2. CUSTOMER APPROVAL OF SERVICE DELIVERABLES

As part of the project, service deliverables may be provided to City of Durham -- Fire Department for approval and/or acceptance. Delays in customer approval/acceptance of deliverables will result in an extension of the project timeline and may result in additional services being required. To avoid project delays and increased costs, City of Durham -- Fire Department should expect to approve/accept deliverables or provide written notification of errors to Kronos within five (5) business days after receipt of the deliverable. Following the receipt of a revised deliverable, City of Durham -- Fire Department will then have an additional five (5) business days to report that all errors have been resolved and provide deliverable acceptance.

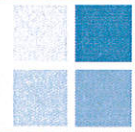
2.3. ENGAGEMENT RECOMMENDATIONS

City of Durham -- Fire Department is responsible for developing their workforce management policies and for documenting and disseminating business procedures and policy changes to support the Kronos system prior to Kronos implementing the policies. The City of Durham -- Fire Department Project Team will attend appropriate Kronos training prior to and while participating in the implementation. City of Durham -- Fire Department understands that Kronos recommends setup of both a DEVELOPMENT and PRODUCTION environment.

Commitment from City of Durham -- Fire Department upper management is crucial to the success of the project. Kronos assumes City of Durham -- Fire Department will assign a Project Executive Sponsor. The Executive Sponsor is responsible for implementing the necessary change management for City of Durham -- Fire Department to embrace using an automated Workforce Management system and for ensuring the Project Team is appropriately staffed, made available and is executing their tasks according to the Project Plan.

2.4. FIXED FEE GUIDELINES

For the services set forth in this Services Scope Statement (and on the corresponding Order Form for such services), Kronos agrees to complete the services described herein for the fixed fee set forth herein, unless additional hours are required to complete such services due to a material change in the scope of the project, City of Durham -- Fire Department's delay in fulfilling its obligations, or as a result of a



change in the complexity of the original scope of services based on information unknown at the time the parties entered into this SSS. Any such additional hours shall be agreed upon by the parties pursuant to the Change Order process described in the SSS and the fixed fee amount described herein shall be amended as provided in such Change Order. If Kronos has not invoiced for the entire fixed fee amount as set forth in this SSS (and any Change Orders, if applicable) upon completion of the services, Kronos will invoice City of Durham -- Fire Department for any remaining fees up to the fixed fee amount and City of Durham -- Fire Department shall pay such fees upon the payment terms agreed upon by the parties.

3. PROJECT MANAGEMENT

3.1. PROJECT PLANNING AND MANAGEMENT

Kronos will deliver a customer implementation guide, a project workbook or checklist and facilitate periodic status meetings.

Project Management Description	
Remotely Delivered Project Support Services / TeleStaff	Included

4. IMPLEMENTATION METHODOLOGY PHASES

4.1. SOLUTION ASSESSMENT AND DESIGN

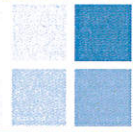
During this phase of the project, Kronos assists City of Durham -- Fire Department with ensuring all applicable requirements and Solution Design documents for the implementation of the product(s) are understood and completed.

Customer's Commitment

Prior to this phase of the project, City of Durham -- Fire Department shall arrange for acquisition and setup of necessary system hardware and establish Internet connectivity at the server(s). City of Durham -- Fire Department shall also arrange for installation and network testing of the Timekeeper terminals, if purchased. In addition to completing the requisite Kronos training, the City of Durham -- Fire Department Project Manager shall ensure that all internal resources are coordinated and scheduled to participate in each assessment per their domain expertise or role as a decision maker. Also during this phase, the City of Durham -- Fire Department Project Manager shall begin to develop testing and education plans.

4.2. SOLUTION BUILD

During this phase of the project, Kronos and City of Durham -- Fire Department jointly build the solution per the in-scope application building blocks. In addition, Kronos guides City of Durham -- Fire Department to perform configuration unit testing to validate the rules against the solution design.



Customer's Commitment

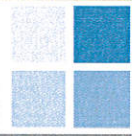
During this phase of the project City of Durham -- Fire Department will provide access and security to the applicable network and servers and dedicate or make available, appropriate resources with the necessary domain experience. It may be necessary for the City of Durham -- Fire Department Project Manager to provide communication and access to a Third Party Software vendor during the build and testing of integration components or custom attributes.

4.3. SOLUTION TESTING AND DEPLOYMENT

During this phase of the project Kronos supports the City of Durham -- Fire Department project team with testing to the Design document, resolving all critical open issues as well as deployment planning and support.

Customer's Commitment

During this phase of the project City of Durham -- Fire Department will finalize the test plan to support unit, integration and operational testing; complete test case scenarios in the testing checklist; dedicate or make available on an as-needed basis, appropriate resources to test the product(s), ensuring representatives from all affected user communities participate in the test cycle. City of Durham -- Fire Department will also coordinate testing with other vendors, and if applicable, test and validate the data transfer from Kronos to other vendors. City of Durham -- Fire Department testing team will utilize the testing checklist for unit and parallel testing and maintain the workbook as needed until testing is complete. City of Durham -- Fire Department will also write operational procedures and train user as needed for a successful deployment.



5. PROJECT SCOPE DETAIL

5.1. APPLICATION BUILDING BLOCKS

TeleStaff Enterprise	
This product will be implemented in phase	1
Number of Employees within Scope	320

TeleStaff Enterprise Standard Deployment			
The database platform will be			SQL Server
Total number of environments			1
Number of Sites (facilities, locations, etc.)			1
Distinct Implementations	Size	# of Divisions	Division Names
Fire Department	320	1	Suppression/Admin
Distinct Implementations: 1	320	1	

TeleStaff Enterprise Standard Deployment Professional Services Scope	
<ul style="list-style-type: none"> • Lead Application Configuration Assessment for organizational structure review; Lead up to 5 deployment sessions for: Authorities, Ranks, Shifts, Specialties, Work codes, Work code business rules, Roster Views; Remote Project Support • 1 Divisions • Lead Technical Assessment Readiness Call; Application Install • Web Access Standard Deployment • Standard Payroll Export • Education Strategy Guidance • Standard Testing Guidance • Train-the-Trainer Workshop • Deployment Planning and Go-Live Support 	

TeleStaff Enterprise Advanced Deployment			
Number of Sites (facilities, locations, etc.)			1
Distinct Implementations	Size	# of Divisions	Division Names
Fire Department	320	1	Suppression
Distinct Implementations: 1	320	1	
TeleStaff Enterprise Advanced Deployment Professional Services Scope			
<ul style="list-style-type: none"> • Lead Application Configuration Assessment; Configure: Minimum counts, staffing alarms, vacancy rules & strategies 			



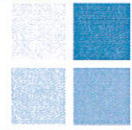
- 1 Divisions

TeleStaff Auctions Professional Services Scope

- 1 Auctions Configuration: Vacations

Integrations In Scope

- 1 Gateway Manager: distinct message types (non-Kronos)

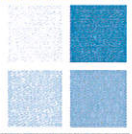


6. PROJECT COSTS AND RATE SCHEDULES

All estimates are quoted in USD.

6.1. PROFESSIONAL SERVICES FIXED FEE INVOICING SCHEDULE

Milestone Payment Schedule	
Standard Deployment: PM Assignment	\$5673.33
Standard Deployment: Database Build	\$5673.33
Standard Deployment: Configuration Training	\$5673.34
Advanced Deployment: PM Assignment	\$4646.66
Advanced Deployment: Staffing Process Review	\$4646.67
Advanced Deployment: Configuration training	\$4646.67
Auctions configuration	\$2040.00
Investment for this Implementation	\$33,000.00



7. SIGNATURES AND APPROVALS

SUBMITTED AND APPROVED BY KRONOS REPRESENTATIVE

By: _____ Date: _____

Title: _____

This Services Scope Statement is subject to City of Durham -- Fire Department's agreement with Kronos governing Professional, Education and Cloud Services. By signing below, City of Durham -- Fire Department's authorized representative agrees to purchase the services described herein.

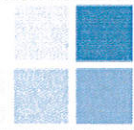
ACCEPTED AND AGREED

City of Durham -- Fire Department

By: _____ Date: _____

Title: _____

City of Durham -- Fire Department may make necessary copies of this document for the sole purpose of facilitating internal evaluation and/or execution of proposed project. Otherwise, the document or any part thereof may not be reproduced in any form without the written permission of Kronos Incorporated. All rights reserved. Copyright 2014.



APPENDIX A

1.1. ENGAGEMENT GUIDELINES

Please review the Kronos engagement guidelines:

<http://www.kronos.com/professionalservicesengagementpolicies.aspx>

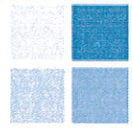
1.2. SERVICE DELIVERABLE ACCEPTANCE PROCESS

At specified milestones throughout the project, we will deliver completed project service deliverables for review and approval. Service deliverables shall be accepted or rejected within 30 consecutive business days from the time of submittal for acceptance. Service deliverables shall be deemed accepted in the absence of review or response of acceptance within this specified time. The use or partial use of any service deliverable other than for testing purposes constitutes acceptance of that service deliverable. Feedback supplied after the review period will be evaluated as a potential change of scope and shall follow the Change Management Process outlined in this SOW.

The Service Deliverable Acceptance Process is described below.

- **Submission of Service deliverables**
The Kronos Project Manager, or his designee, will prepare a Service Deliverable Acceptance Form (see Exhibit section) and forward with the respective service deliverable to the Customer Project Manager, or Customer designee, for consideration.
- **Assessment of Service Deliverables**
- **Acceptance / Rejection**
After reviewing, the Customer will either accept the service deliverable (by signing and dating the Service Deliverable Acceptance Form) or will provide a written reason for rejecting it and will return the Service Deliverable Acceptance Form to the Kronos team. If feedback from multiple Customer representatives is received, then the Customer Project Manager, or Customer designee, will consolidate that feedback before delivering it to the Kronos team.
- **Correction of Service Deliverables**
Kronos will correct in-scope problems found with the service deliverable and will address the correction of out-of-scope changes according to the Change Management Process. Kronos will submit a schedule for making changes to the service deliverable within two (2) business days of receiving a rejected Service Deliverable Acceptance Form. Once Kronos corrects all previously identified in-scope problems, the service deliverable will be deemed accepted.
- **Monitoring and Reporting**

The Kronos project team will track service deliverable acceptance. Updates on service deliverable acceptance will be included in the status report and discussed in the status meeting. Service deliverable acceptance issues that cannot be resolved will be elevated to the Project Steering Committee.



PROJECT COMPLETION

The project will be considered complete, when any of the following are met:

1. all of the service deliverables identified within this SOW have been completed, delivered and accepted or deemed accepted, including approved Change Request Forms;
2. the fee provisions of the Work Order have been met; or
3. this agreement is terminated pursuant to the provisions of the agreement.

EXHIBIT 2 DELIVERABLE ACCEPTANCE FORM

Submitted to	Submitted by	Submission date	Acceptance deadline

Note: The deliverable on this form must be reviewed by the client within thirty (or fewer) business days of its submission by the project team, and either accepted or rejected by the client. If the deliverable is not accepted or rejected within thirty business days of submission, the project team will consider the deliverable to be accepted by the client.

DELIVERABLE SUBMISSION

Name	
Reference # (WBS #)	
Description	
Acceptance criteria	
Test results (only if applicable)	
Comments	

DELIVERABLE ACCEPTANCE

Deliverable Acceptance	<input type="checkbox"/> Accept Deliverable <input type="checkbox"/> Reject Deliverable with Reason
Date reviewed	
Name of acceptor	
Acceptor signature	



ORDER FORM

Quote#: 444121 - 1
Expires: 26-DEC-2014
Prepared By: Adams, Ray A

Order Type: Standard US
Date: 03-NOV-2014
Page: 1/2

Bill To: Attn:ANTHONY PERGOLOTTI
DURHAM, CITY OF
101 CITY HALL PLAZA
DURHAM
NC 27701
United States

Solution ID: 6054026

Ship To: Attn:ANTHONY PERGOLOTTI
DURHAM, CITY OF
101 CITY HALL PLAZA
DURHAM
NC 27701
United States

Contact: Anthony Pergolotti
Email: anthony.pergolotti@durhamnc.gov

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:

Kronos agrees to complete the services described in the SSS for the fixed fee set forth herein, unless additional hours are required to complete such services due to a material change in the scope of the project, Customer's delay in fulfilling its obligations, or as a result of a change in the complexity of the original scope of services based on information unknown at the time the parties entered into the SSS. Any such additional hours shall be agreed upon by the parties pursuant to the Change Order process described in the SSS and the fixed fee amount described herein shall be amended as provided in such Change Order. If Kronos has not invoiced for the entire fixed fee amount as set forth in this SSS (and any Change Orders, if applicable) upon completion of the services, Kronos will invoice Customer for any remaining fees up to the fixed fee amount and Customer shall pay such fees upon the payment terms agreed upon by the parties.

The Momentum Online Remote Team Professional Services listed herein will be invoiced in accordance with the following schedule:

20% - Plan Phase Sign-off (\$11,291)
20% - Assess Phase Sign-off (\$11,291)
20% - Solution Build Phase Sign-off (\$11,291)
20% - Test and Certify Phase Sign-off (\$11,291)
20% - Deploy and Support Phase Sign-off (\$11,291)

Your Kronos solution includes:

SOFTWARE

Item	License/Qty	Total Price
WORKFORCE TIMEKEEPER V7	600	
WORKFORCE MANAGER V7	65	
WORKFORCE EMPLOYEE V7	150	
WORKFORCE INTEGRATION MANAGER V7	600	
Total Price		\$33,715.00

*Includes applicable software media

EQUIPMENT

Item	Quantity	Total Price
KRONOS INTOUCH 9000 H3, STANDARD, KR B/C	22	\$43,499.50
NORTH AMERICA POWER KIT FOR MOUNT OVER OUTLET, INTOUCH STD	6	\$0.00
NO POWER CORD (POE OR DIRECT AC WIRING), INTOUCH	16	\$0.00
WI-FI OPTION, INTOUCH H2/H3	6	\$825.00
Total Price		\$44,324.50

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics

Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824 (800) 225-1561 (978) 250-9800 www.kronos.com

SUPPORT SERVICES

Item	Duration	Total Price
GOLD SUPPORT SERVICE	1 YR	\$7,417.30
DEPOT EXCHANGE SUPPORT SERVICE	1 YR	\$6,270.00
Total Price		\$13,687.30

*Support values listed above are total for all applicable products in each section of this Order Form

PROFESSIONAL SERVICES / EDUCATIONAL SERVICES

Item	Quantity	Unit Price	Total Price
MOMENTUM ONLINE REMOTE TEAM	1 Hours	\$56,455.00	\$56,455.00
KNOWLEDGE PASS	1 Each	\$0.00	\$0.00
ED SERVICES SUBSCRIPTION	1 Contract	\$2,100.00	\$2,100.00
BILL-AS-YOU-GO INSTRUCTOR LEAD TRAINING	23500 Points	\$1.00	\$23,500.00
Total Price			\$82,055.00

QUOTE SUMMARY

Description	Total Price
Subtotal	\$173,781.80
Deposit	(\$0.00)
Tax	\$3,794.59
Grand Total	\$177,576.39

DURHAM, CITY OF

Signature: _____

Name: _____

Title: _____

Effective Date: _____

Kronos Incorporated

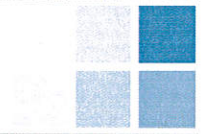
Signature: _____

Name: _____

Title: _____

Effective Date: _____

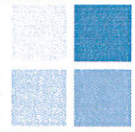
Invoice amount will reflect deposit received. All professional services are billed as delivered with a payment term of Net Upon Receipt. Unless otherwise indicated above, this order is subject to the attached terms and conditions which the customer acknowledges have been read. THIS ORDER IS SUBJECT TO APPLICABLE TAXES. THE TAX AMOUNT SHOWN ON THIS ORDER IS ONLY AN ESTIMATE. THE ACTUAL TAX AMOUNT TO BE PAID BY CUSTOMER WILL BE SHOWN ON CUSTOMER'S INVOICE. The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at http://www.redhat.com/licenses/jboss_eula.html. Shipping and handling charges will be reflected on the final invoice.



Services Scope Statement

City of Durham - Parks and Recreation
Workforce Central v7.0 Implementation

Sales Executive	Ray Adams	Presales Consultant	
Expiration Date	9/27/2014	Service Portfolio Consultant	Scott Kopco
Customer Name	City of Durham - Parks and Recreation	File Name Control ID	2014-7698
SSS Create Date	6/5/2014	Revision #	8
Project Type	Net New	Status	Pending



1. PROJECT SCOPE

This Services Scope Statement (also known as the "SSS") documents the agreement between Kronos Incorporated and City of Durham - Parks and Recreation concerning the services to be performed by Kronos, including the deliverables, the costs of the project, the responsibility of each party and how the project will be managed.

1.1. PROJECT OVERVIEW

Kronos will provide Professional Services to implement Workforce Central v7.0.

1.2. PRODUCT SUMMARY

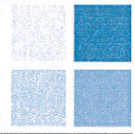
The following products are considered in scope for the services and fees defined within this document, unless otherwise noted below. Additional products and/or licenses may incur additional fees.

Product	Implementation Type	Version
Workforce Timekeeper	New	7.0
Workforce Employee	New	7.0
Workforce Manager	New	7.0
Workforce Integration Manager	New	7.0
Data Collection	New	N/A

1.3. PROJECT DURATION

Depending upon City of Durham - Parks and Recreation resource availability and project task capability, the duration of the project may need to be extended. This will increase the number of hours required for tasks that are performed on a weekly basis such as managing project communications, managing/updating project plans, facilitating project meetings and updating project status reports.

Estimated Duration of Project	12 - 18 weeks
-------------------------------	---------------



1.4. TRAVEL EXPENSES

Kronos will be providing two onsite visits for the Assessment and Testing Support as part of this implementation. The City will not incur any travel expenses for these two visits. If the City decides to have Kronos on-site for any other visits as part of this implementation they will be expected to be billed as part of the normal Kronos policy.

2. PROJECT GUIDELINES

2.1. CHANGE CONTROL

If the Scope of Services defined in this document changes at any time during the course of this project, Kronos and City of Durham - Parks and Recreation will review and adjust the scope and budget of services through standard Kronos change control procedures.

Please review the Kronos Change Control Policy:

<http://www.kronos.com/professionalservicesengagementpolicies.aspx>

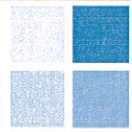
2.2. CUSTOMER APPROVAL OF SERVICE DELIVERABLES

As part of the project, service deliverables may be provided to City of Durham - Parks and Recreation for approval and/or acceptance. Delays in customer approval/acceptance of deliverables will result in an extension of the project timeline and may result in additional services being required. To avoid project delays and increased costs, City of Durham - Parks and Recreation should expect to approve/accept deliverables or provide written notification of errors to Kronos within five (5) business days after receipt of the deliverable. Following the receipt of a revised deliverable, City of Durham - Parks and Recreation will then have an additional five (5) business days to report that all errors have been resolved and provide deliverable acceptance.

2.3. ENGAGEMENT RECOMMENDATIONS

City of Durham - Parks and Recreation is responsible for developing their workforce management policies and for documenting and disseminating business procedures and policy changes to support the Kronos system prior to Kronos implementing the policies. The City of Durham - Parks and Recreation Project Team will attend appropriate Kronos training prior to and while participating in the implementation. City of Durham - Parks and Recreation understands that Kronos recommends setup of both a DEVELOPMENT and PRODUCTION environment.

Commitment from City of Durham - Parks and Recreation upper management is crucial to the success of the project. Kronos assumes City of Durham - Parks and Recreation will assign a Project Executive Sponsor. The Executive Sponsor is responsible for implementing the necessary change management for City of Durham - Parks and Recreation to embrace using an automated Workforce Management



system and for ensuring the Project Team is appropriately staffed, made available and is executing their tasks according to the Project Plan.

2.4. FIXED FEE GUIDELINES

For the services set forth in this Services Scope Statement (and on the corresponding Order Form for such services), Kronos agrees to complete the services described herein for the fixed fee set forth herein, unless additional hours are required to complete such services due to a material change in the scope of the project, City of Durham - Parks and Recreation's delay in fulfilling its obligations, or as a result of a change in the complexity of the original scope of services based on information unknown at the time the parties entered into this SSS. Any such additional hours shall be agreed upon by the parties pursuant to the Change Order process described in the SSS and the fixed fee amount described herein shall be amended as provided in such Change Order. If Kronos has not invoiced for the entire fixed fee amount as set forth in this SSS (and any Change Orders, if applicable) upon completion of the services, Kronos will invoice City of Durham - Parks and Recreation for any remaining fees up to the fixed fee amount and City of Durham - Parks and Recreation shall pay such fees upon the payment terms agreed upon by the parties.

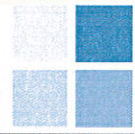
In the even that additional services are required, they will be billed at \$190.00 per hour.

3. PROJECT MANAGEMENT

3.1. PROJECT PLANNING AND MANAGEMENT

Kronos will deliver a customer implementation guide, a project workbook or checklist and facilitate periodic status meetings.

Project Management Description	
Remotely Delivered Project Support Services	Average 3 hours per week



4. IMPLEMENTATION METHODOLOGY PHASES

4.1. SOLUTION ASSESSMENT AND DESIGN

During this phase of the project, Kronos assists City of Durham - Parks and Recreation with ensuring all applicable requirements and Solution Design documents for the implementation of the product(s) are understood and completed.

Customer's Commitment

Prior to this phase of the project, City of Durham shall arrange for acquisition and setup of necessary system hardware and establish Internet connectivity at the server(s). City of Durham shall also arrange for installation and network testing of the Timekeeper terminals, if purchased. In addition to completing the requisite Kronos training, the City of Durham - Parks and Recreation Project Manager shall ensure that all internal resources are coordinated and scheduled to participate in each assessment per their domain expertise or role as a decision maker. Also during this phase, the City of Durham - Parks and Recreation Project Manager, along with guidance from Kronos, shall begin to develop testing and education plans.

4.2. SOLUTION BUILD

During this phase of the project Kronos installs and builds the solution per the Solution Design documents. In addition, Kronos will perform basic unit testing to validate the build against the Solution Design document.

Customer's Commitment

During this phase of the project City of Durham will provide access and security to the applicable network and servers and dedicate or make available, appropriate resources with the necessary domain experience. This includes IT resources to participate in terminal configuration and testing, and configure system backups. It may be necessary for the City of Durham - Parks and Recreation Project Manager to provide communication and access to a Third Party Software vendor during the build and testing of integration components or custom attributes.

4.3. SOLUTION TESTING AND DEPLOYMENT

During this phase of the project Kronos supports the City of Durham - Parks and Recreation project team with testing to the Product Design document, resolving all critical open issues as well as deployment planning and support.

Customer's Commitment

During this phase of the project City of Durham - Parks and Recreation will finalize the test plan to support unit, integration and operational testing; complete test case scenarios in the Solution Validation Workbook; dedicate or make available on an as-needed basis, appropriate resources to test the product(s), ensuring representatives from all affected user communities participate in the test cycle. City of Durham - Parks and Recreation will also coordinate testing with other vendors, and if applicable, test and validate the data transfer from Kronos to other vendors. City of Durham - Parks and Recreation testing team will utilize the Solution Validation Workbook for unit and parallel testing

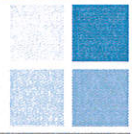


and maintain the workbook as needed until testing is complete. City of Durham - Parks and Recreation will also write operational procedures and train user as needed for a successful deployment.

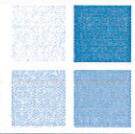
5. PROJECT SCOPE DETAIL

5.1. APPLICATION BUILDING BLOCKS

General Information	
Number of Employees in Project Scope	600
Number of Sites (facilities, locations etc.)	Approximately 22
Decentralized	No
Unions	No
Number of Managers that will be supported	65
Workforce Central Technology Factors	
Total number of environments	2
The database platform will be	SQL Server
Workforce Central Technology Services Scope	
<ul style="list-style-type: none"> • Lead Technical Readiness Assessment with Record Retention Configuration (2 environments) • Technical Preparation for Deployment and Support • 1 Application Install (2 environments on SQL Server) • Active Directory Synchronization 	
Workforce Timekeeper	
This product will be implemented in phase	1
Number of Employees within Scope	600
Number of Assessment Groups	1
Number of Deployment Groups	1
Workforce Timekeeper Professional Services Scope Estimate	
<ul style="list-style-type: none"> • Lead Application Configuration Assessment • Standard Configuration: 7 labor levels: 1 pay policy groups: 5 schedule groups and shift templates: 10 holidays: 5 comments: 3 function access profiles • 10 Basic Accrual rules • 20 Pay rules/work rules • 4 Navigator Personas • 2 Alerts 	



<ul style="list-style-type: none"> • 1 Delegate Authority • Time Off Requests • Alerts Package • Standard Testing Guidance • Deployment Planning and Go-Live Support 	
Workforce Integration Manager	
This product will be implemented in phase	1
Number of Employees within Scope	600
Integrations In Scope	
<ul style="list-style-type: none"> • 1 Workforce Timekeeper: Basic Accruals Balance Import • 1 Workforce Timekeeper: Employee Import • 1 Workforce Timekeeper: Pay Data Export 	
Data Collection	
This product will be implemented in phase	1
Number of Employees within Scope	600
Data Collection Professional Services Scope	
<ul style="list-style-type: none"> • 3 Standard Terminal Configuration • Data Collection: Workforce Employee 	



6. EDUCATIONAL SERVICES

6.1. INTRODUCTION

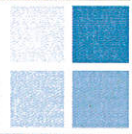
As part of your overall solution, Kronos Educational Services are included to help secure maximum user adoption. Kronos Educational Services has included an education strategy to train the implementation, functional and technical project team members and end users. The curriculum is structured by employee job role to ensure that each member of your team who interacts with the application has a clear learning path designed to develop knowledge in a logical sequence.

6.2. PROJECT TEAM TRAINING

Course Name	# of Seats/Qty	Unit of Measure	Points	Total Points
WFC 7.0 Administering Navigators	2	Seat	600	1200
WFC 7.0 Administering the Application	2	Seat	1200	2400
Writing & Integrating WTK 7.0 Operational Reports	1	Seat	2600	2600
WTK 7.0 Managing Timecards & Preparing for Payroll	4	Seat	1000	4000
WTK 7.0 Project Team Fundamentals with Basic Accruals	2	Seat	500	1000
WFC 7.0 Architecture & Technology	2	Seat	1300	2600
WIM 7.0 Basic Interface Programming	2	Seat	3250	6500
Kronos KnowledgePass Mentoring - Tier 1	1	PTS	1200	1200

6.3. END USER TRAINING

Service Name	Quantity	Unit of Measure
InTouch Terminal Entering Time Employee Training Kit	1	Unlimited
WFC 7.0 Employee User Adoption Kit	1	Unlimited
WFC 7.0 Timestamp & Timecard Entering Time Employee Training Kit	1	Unlimited
WTK 7.0 Train-the-Trainer 400-1500, 1 participant	2	Program



7. PROJECT COSTS AND RATE SCHEDULES

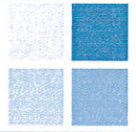
All estimates are quoted in USD.

7.1. EDUCATIONAL SERVICES

Product Name	Part Number	Quantity	Unit of Measure	Rate	Total
KnowledgePass™	8602748-001	1	EA	\$2,100.00	\$2,100.00
Bill-As-You-Go Instructor Lead Training	BAYG-ILT	21500	PTS	\$1.00	\$21,500.00
WTK 7.0 TTT - 400-1500 (1 participant)	9999716-1	2000	PTS	\$1.00	\$2,000.00
Total Estimated Educational Services					\$25,600.00

7.2. SOLUTION SUMMARY

Service Type	Cost
Professional Services (Fixed Fee)	\$56,455.00
Educational Services	\$25,600.00
Total Investment	\$82,055.00



8. SIGNATURES AND APPROVALS

SUBMITTED AND APPROVED BY KRONOS REPRESENTATIVE

By: _____ Date: _____

Title: _____

This Services Scope Statement is subject to City of Durham - Parks and Recreation's agreement with Kronos governing Professional, Education and Cloud Services. By signing below, City of Durham - Parks and Recreation's authorized representative agrees to purchase the services described herein.

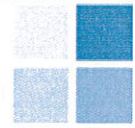
ACCEPTED AND AGREED

City of Durham - Parks and Recreation

By: _____ Date: _____

Title: _____

City of Durham - Parks and Recreation may make necessary copies of this document for the sole purpose of facilitating internal evaluation and/or execution of proposed project. Otherwise, the document or any part thereof may not be reproduced in any form without the written permission of Kronos Incorporated. All rights reserved. Copyright 2014.



APPENDIX A

1.1. ENGAGEMENT GUIDELINES

Please review the Kronos engagement guidelines:

<http://www.kronos.com/professionalservicesengagementpolicies.aspx>

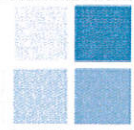
1.2. ADDITIONAL EXHIBITS

IMPLEMENTATION PROFESSIONAL SERVICES DELIVERABLES

Each project phase is marked by completion of one or more deliverables. These are the output of the activities and tasks assigned during that phase. The following tables list the general deliverables associated with the phases of the Kronos implementation. The responsibility of each deliverable will be determined based on the professional services and level of project management your organization has contracted with Kronos.

PLAN PHASE DELIVERABLES

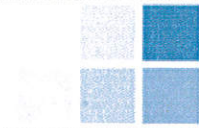
Deliverable	Description	Comments
Project Initiation Package	Key customer and project information gathered throughout the sales cycle including the final statement of work agreed upon by Kronos and the customer.	This is an internal deliverable – used to ensure an understanding of the solution purchased, project background and expectations set prior to the commencement of the implementation lifecycle.
Assessment Readiness Checklists <ul style="list-style-type: none">GeneralTechnical	A checklist to be provided to the Customer following the assessment readiness meeting, listing items required for the Assess Phase of the implementation from product and technical perspectives.	
Pre-Assessment Learning	Delivered through various educational courses; customer project team members will receive worksheets to use to gather key data in preparation for the Assess phase and participant workbooks that can be used	This information ensures the customer project team members have timely information to enable them to effectively collaborate with the Kronos implementation team.



Deliverable	Description	Comments
	as reference materials throughout the implementation lifecycle.	
Baseline Project Plan	Based on discover to date, a baseline project plan, including a project workbook, schedule, change management, communications, change control, resource and risk plans.	Actual level of plan details are based on the level of project management services contracted with Kronos.

ASSESS PHASE DELIVERABLES

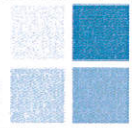
Deliverable	Description	Comments
Solution Design <ul style="list-style-type: none"> Architecture Design Product Design Interface Design Custom Design 	The information contained within this document will detail the configuration that is to be implemented and is based on information gathered during design discussions/workshops.	The major goal is to design and document a solution that solves critical customer business issues, and is able to be understood and approved by the collective Project Team (both Customer and Kronos representatives) prior to the Solution Build Phase.
Testing Strategy <ul style="list-style-type: none"> Testing Strategy Test Cases/ Testing Workbook 	Provides the testing strategy for each product agreed with the customer and is supported by a workbook that captures the specific test cases that will be used in testing the configuration of the solution.	Kronos and the customer will work together to determine the appropriate approach and level of testing. Kronos will look to the customer to provide specific test case scenarios to be used throughout the testing cycles.
End User Education Recommendations	Captures the educational needs of the customer and presents recommendations to address the customer needs and requirements.	
Education Strategy	Provided to capture the final approach and activities to be deployed throughout the implementation lifecycle.	



Deliverable	Description	Comments
Updated Project Plan	Updates to the baseline project plan, including; project workbook, schedule, change management, communications, change control, resource and risk plans.	Actual level of plan details are based on the level of project management services contracted with Kronos.
Phase Review Report	A report provided at the conclusion of the phase, capturing work results, customer feedback, lessons learned and next steps.	Phase Review reports are provided with Project Management and Program Management service levels.

SOLUTION BUILD PHASE DELIVERABLES

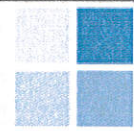
Deliverable	Description	Comments
Installation Report	A report providing key details of the Kronos applications installed in the customer environment.	
Configured Solution <ul style="list-style-type: none"> Product Configuration Interface Development Custom Development 	The application configured based on the based on the solution requirements as per the agreed Solution Design documentation.	
Solution Validation Workbook	Provides documented results of the unit testing completed prior to delivery to the customer.	These deliverables are used to ensure the highest quality product is being delivered.
Testing Criteria Document	Supporting document to capture the specific testing criteria. This document complements the Solution Validation Workbook.	Population of this document is the responsibility of the customer.
Participant Workbooks from Training for Testing Team	Supporting materials provided as part of the training delivered to the testing team.	These materials can be used as references as the team completes their testing responsibilities.
Updated Project Plan	Updates to the project plan, including;	Actual level of plan details are based on



Deliverable	Description	Comments
	project workbook, schedule, change management, communications, change control, resource and risk plans.	the level of project management services contracted with Kronos.
Phase Review Report	A report provided at the conclusion of the phase, capturing work results, customer feedback, lessons learned and next steps.	Phase Review reports are provided with Project Management and Program Management service levels.

TEST AND CERTIFY PHASE DELIVERABLES

Deliverable	Description	Comments
Product Unit Test Results	Testing results and actions for resolution based on product unit testing activities defined in the testing strategy.	This is a customer responsibility. Results can be captured in the Solution Validation Workbook.
Integration Test Results	Testing results and actions for resolution based on integration testing activities defined in the testing strategy.	This is a customer responsibility. Results can be captured in the Solution Validation Workbook.
Operational Test Results	Testing results and actions for resolution based on operational testing activities defined in the testing strategy.	This is a customer responsibility. Results can be captured in the Solution Validation Workbook.
Validated Education Strategy • Updated Education Strategy End User Education Materials	An updated Education Strategy document following further customer knowledge gained through testing.	
Technical Review Report	A report providing details of the results of the technical review – used to ensure the test environment is ready to move into a production environment.	
Updated Project Plan	Updates to the project plan, including; project workbook, schedule, change management, communications, change control, resource and risk plans.	Actual level of plan details are based on the level of project management services contracted with Kronos.



Deliverable	Description	Comments
Phase Review Report	A report provided at the conclusion of the phase, capturing work results, customer feedback, lessons learned and next steps.	Phase Review reports are provided with Project Management and Program Management service levels.

DEPLOY AND SUPPORT PHASE DELIVERABLES

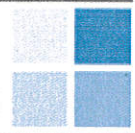
Deliverable	Description	Comments
Deployment Readiness Checklist	A checklist provided to ensure key customer activities have been completed prior to moving into the deployment activities.	This is part of the Solution Validation Workbook
Deployment Validation Summary	Provides the results of the deployment validation efforts and is used to finalize decisions to move from a test environment to a production environment.	This is part of the Solution Validation Workbook
Production Solution	Moving the Kronos solution in a production environment.	
Updated Project Plan	Updates to the project plan, including; project workbook, schedule, change management, communications, change control, resource and risk plans.	Actual level of plan details are based on the level of project management services contracted with Kronos.
Phase Review / Project Close Report	A report provided at the conclusion of the phase and project, capturing work results, customer feedback, lessons learned and final transition to Global Support steps.	Phase Review / Project Close reports are provided with Project Management and Program Management service levels.

PROFESSIONAL SERVICES INVOICING SCHEDULE

Professional Services are fixed and invoiced on a milestone basis in 5 equal payments.

Services will be invoiced, following mandatory customer sign-off, based upon the following schedule:

- 20% - Plan Phase Sign-off (\$11,291)
- 20% - Assess Phase Sign-off (\$11,291)
- 20% - Solution Build Phase Sign-off (\$11,291)
- 20% - Test and Certify Phase Sign-off (\$11,291)
- 20% - Deploy and Support Phase Sign-off (\$11,291)



SERVICE DELIVERABLE ACCEPTANCE PROCESS

At specified milestones throughout the project, we will deliver completed project service deliverables for review and approval. Service deliverables shall be accepted or rejected within 30 consecutive business days from the time of submittal for acceptance. Service deliverables shall be deemed accepted in the absence of review or response of acceptance within this specified time. The use or partial use of any service deliverable other than for testing purposes constitutes acceptance of that service deliverable. Feedback supplied after the review period will be evaluated as a potential change of scope and shall follow the Change Management Process outlined in this SOW.

The Service Deliverable Acceptance Process is described below.

- **Submission of Service deliverables**

The Kronos Project Manager, or his designee, will prepare a Service Deliverable Acceptance Form (see Exhibit section) and forward with the respective service deliverable to the Customer Project Manager, or Customer designee, for consideration.

- **Assessment of Service Deliverables**

- **Acceptance / Rejection**

After reviewing, the Customer will either accept the service deliverable (by signing and dating the Service Deliverable Acceptance Form) or will provide a written reason for rejecting it and will return the Service Deliverable Acceptance Form to the Kronos team. If feedback from multiple Customer representatives is received, then the Customer Project Manager, or Customer designee, will consolidate that feedback before delivering it to the Kronos team.

- **Correction of Service Deliverables**

Kronos will correct in-scope problems found with the service deliverable and will address the correction of out-of-scope changes according to the Change Management Process. Kronos will submit a schedule for making changes to the service deliverable within two (2) business days of receiving a rejected Service Deliverable Acceptance Form. Once Kronos corrects all previously identified in-scope problems, the service deliverable will be deemed accepted.

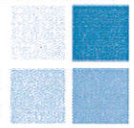
- **Monitoring and Reporting**

The Kronos project team will track service deliverable acceptance. Updates on service deliverable acceptance will be included in the status report and discussed in the status meeting. Service deliverable acceptance issues that cannot be resolved will be elevated to the Project Steering Committee.

PROJECT COMPLETION

The project will be considered complete, when any of the following are met:

1. all of the service deliverables identified within this SOW have been completed, delivered and accepted or deemed accepted, including approved Change Request Forms;



2. the fee provisions of the Work Order have been met; or
3. this agreement is terminated pursuant to the provisions of the agreement.

EXHIBIT 2 DELIVERABLE ACCEPTANCE FORM

Submitted to	Submitted by	Submission date	Acceptance deadline

Note: The deliverable on this form must be reviewed by the client within thirty (or fewer) business days of its submission by the project team, and either accepted or rejected by the client. If the deliverable is not accepted or rejected within thirty business days of submission, the project team will consider the deliverable to be accepted by the client.

DELIVERABLE SUBMISSION

Name	
Reference # (WBS #)	
Description	
Acceptance criteria	
Test results (only if applicable)	
Comments	

DELIVERABLE ACCEPTANCE

Deliverable Acceptance	<input type="checkbox"/> Accept Deliverable <input type="checkbox"/> Reject Deliverable with Reason
Date reviewed	
Name of acceptor	
Acceptor signature	